



**TRADOC PURCHASE CARD  
PROGRAM  
Standard Operating Procedures**

**30 June 2000**

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Purchase Card Instructions

Standard Operating Procedures

2000 Edition

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Chapter 1

General

**1. INTRODUCTION.**

a. The General Services Administration (GSA), Federal Supply Services (FSS), awarded the first commercial contract for Governmentwide purchase card services on 16 February 1994. In 1998, a follow-on contract was awarded. The contract provides for commercial purchase cards, checking accounts, and associated services to support official Government purchases. The International Merchant Purchase Authorized Card (IMPAC) (hereinafter referred to as the "purchase card"):

(1) Is intended to supplement simplified purchase procedures,

(2) Can be used as a payment method under existing contracts or other contracting vehicles (e.g., BPAs/purchase card agreements, purchase orders, IDIQ contracts, fixed-price/cost type contracts, etc.), and

(3) Is designed to minimize cost/administrative burden and reduce procurement lead-time.

b. These procedures are designed to supplement instructions and information provided by the bank to the cardholder and approving/billing official at the time the purchase card is issued. These procedures establish internal guidance within TRADOC for the acquisition of supplies and services with the purchase card, under the authority of AFARS Part 13.90, Government Purchase Cards.

c. Supplementing this Standard Operating Procedure (SOP) by functional area managers/process owners is permissible, if it is necessary to identify internal procedures that further define processes that are unique to each activity/organization. Such supplements (or other published guidance, which directly or indirectly affects TRADOC's purchase card program) must not impede or otherwise further restrict use of the purchase card. Additionally, such supplements must first be coordinated with the Director of Contracting (DOC) (in the case of installation specific instructions) or the Principal Assistant Responsible for Contracting (PARC) (in the case of headquarters instructions) prior to publication and dissemination. Development of supplemental implementing instructions that are not based on Army regulation or other statutory or regulatory guidance is restricted.

d. It is understood that installation process owners have the responsibility to manage and control certain items and/or services.

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However, in keeping with direction from the Chief of Staff of the Army to remove as many barriers as possible to maximize use of the purchase card, functional area managers, (e.g., DOIM, DIS, DRM, etc.) should examine locally-imposed procedures that affect the purchase card program and relax or eliminate those determined to be overly restrictive or unnecessary. Process owners are encouraged to work with the DOC to streamline and improve the efficiency of the purchase card process.

e. Process owners are encouraged to develop lists of items that are normally stocked locally, as well as lists of items that are preapproved (i.e. ADP/information technology equipment) for local purchase. These types of lists enable the cardholder to quickly determine which items are presently stocked at the installation and/or those items that can be purchased without first requesting approval.

f. Many changes in procurement policy have been and are continuing to be implemented in an attempt to maximize use of the purchase card within the Department of Defense (DoD) and the Army. Individuals involved in the Government procurement process across all functional disciplines must accept the challenge to identify efficiencies in managing our assets and conducting business, with the goal of obtaining the soldier's requirements quicker and at more reasonable prices.

1-1. **PURPOSE.** To establish policies and procedures for use of the purchase card to acquire and/or pay for supplies and services which are commercially available and have been approved for local purchase.

1-2. **APPLICATION.** This SOP applies to all purchases of supplies and services using the purchase card within TRADOC, to include tenant and satellite activities within the installation's area of support as prescribed in AR 5-9.

1-3. **REFERENCES:**

a. AR 5-9, Intraservice Support Installation Area Coordination, October 1998 Edition and Changes/Updates.

b. AR 37-1, Finance and Accounting Policy Implementation, January 2000 Edition and Changes/Updates.

c. Army Federal Acquisition Regulation Supplement (AFARS), 1996 Edition and Changes/Updates.

d. Department of Defense Federal Acquisition Regulation Supplement (DFARS), 1998 Edition and Changes/Updates.

e. Federal Acquisition Regulation (FAR), 1997 Edition and Changes/Updates.

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f. HQ TRADOC Acquisition Regulation 715-3, 2000 Edition and Changes/Updates.

g. DoD Task Order Number DoD-Purchase-9700-0001, June 1998, GSA Contract Number GS-23F-98002.

h. DoD 5500.7-R, Aug 1993 Edition and Changes/Updates, Joint Ethics Regulation, Standards of Conduct and Changes/Updates.

i. AR 710-2, Inventory Management Supply Policy Below the Wholesale Level, 31 October 1997 Edition and Changes/Updates.

j. AR 735-5, Policies and Procedures for Property Accountability, 31 January 1998 Edition and Changes/Updates.

k. AR 25-30, Army Integrated Publishing and Printing Program, 21 June 1999 Edition and Changes/Updates.

l. AR 25-1, Army Information Management, 15 February 2000 Edition.

1-4. **DEFINITION OF TERMS:** (Where applicable, terms are cross-referenced to later, more definitive guidance.)

a. Agency/Organization Program Coordinator (A/OPC): The individual at the installation or activity designated by the ordering agency/organization to perform contract administration for the Government Commercial Purchase Card Program.

b. Account Set-up Information: Specific information required by the contractor for each cardholder and approving/billing official so that active accounts can be established for each. This information is supplied by the DOC directly to the bank.

c. Accountable Officer: The individual at the installation supply support activity (ISSA) through which all supply requests are normally preapproved for local purchase. The accountable officer normally determines the source of supply and initiates appropriate purchase action.

d. Administrative Office: The office with direct overall responsibility for the purchase card program. Within TRADOC, this office is the installation Directorate of Contracting (DOC). The Director of Contracting will appoint A/OPCs, approving/billing officials, cardholders, checking account administrators, ordering officers and Super Users.

e. Approving/Billing Official: The individual (normally, the cardholder's immediate supervisor) within a directorate or activity who

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will certify the cardholder's monthly "Statement of Account" (SOA) and ensure that payments are for authorized purchases, made in accordance with regulatory and statutory guidance. Further, the approving/billing official must certify his/her own monthly statement, which is a composite report of activity of all cardholders. Finally, the approving/billing official is responsible for certifying the monthly invoice and forwarding it to Defense Finance and Accounting Services (DFAS) for payment. This individual will be the cardholder's immediate supervisor or higher level official. A cardholder cannot be his/her own approving/billing official. The DOC may delegate other duties as required by the installation. NOTE: The approving/billing official is not the same person as the accountable officer in the installation supply support activity (ISSA).

f. Authorization: The process accomplished by the merchant at the point of sale to electronically verify that a purchase is being made within the established cardholder limits.

g. Cardholder: The individual to whom a card is issued and procurement authority is delegated. THE PURCHASE CARD BEARS THE CARDHOLDER'S NAME AND CAN BE USED ONLY BY THAT INDIVIDUAL to make official Government purchases.

h. Defense Finance and Accounting Services (DFAS): The designated payment office. DFAS pays invoices from the bank after certification by the cardholder's approving/billing official.

i. Delegation of Authority: A written delegation, issued by the DOC, will be sent to trained individuals establishing them as authorized cardholders. This delegation of authority will specify spending and usage limitations unique to that cardholder, and must be maintained in the file of each cardholder. Individuals delegated contracting authority are procurement officials, as defined under Section 27 of the Office of Federal Procurement Policy Act. They must receive training in use of the purchase card and contracting ethics.

j. Dispute: A disagreement between the cardholder and the bank regarding items appearing on the cardholder monthly statement of account (SOA).

k. Disputes Official or A/OPC: An individual in the DOC who will coordinate, process and monitor all disputed purchases, credit or billing errors, etc., after efforts by the cardholder and approving/billing official have been unsuccessful.

l. Merchant Type Code. Code assigned to a merchant which categorizes the type of business the merchant is engaged in and the kinds of goods and services provided. This code is identified each



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time an authorization is sought and is used to identify those merchants who provide goods and/or services that are unauthorized for that cardholder (e.g., airlines, travel agencies, bars, etc.).

m. Payment Cycle Standards.

<u>Cardholder</u>	<u>Cardholder</u>	<u>Approving/billing official</u>	<u>The bank</u>
Receives SOA or SOA Date*	Forwards to Billing Official	Forwards signed/dated invoice to DFAS for Payment with a copy to budget/funds control Officer	Credits account
Day 1	Day 5	Day 15	

\*Cardholders shall date stamp or otherwise record the date the SOA was received.

Payments to the bank for purchases made with the purchase card will be made by DFAS. The bank may suspend cardholder privileges for the activity when undisputed amounts are over 60 days delinquent. All installation cardholder accounts may be suspended when a single account is over 180 days delinquent. Cardholders must know his/her cycle date (statement date). If the SOA is not received by the second day of the month following the cycle date, contact the bank to obtain a reprint. Documentation supporting disputed items shall be promptly forwarded to the bank within 60 days from date of invoice to ensure timely reconciliation of monthly statements. The exception is when the item has been ordered and not yet received (see paragraph 3-5, Disputes).

o. Agency/Organization Program Coordinator (A/OPC): The individual appointed by the DOC who serves as the liaison between cardholders, the installation, HQ TRADOC, the bank, GSA and vendors.

p. Property Book Officer: The individual responsible for monitoring purchases of nonexpendable items and ensuring that inventory accountability is performed. This should be accomplished without being an overly burdensome process. Some installations accomplish this by having the cardholders provide the Property Book Officer with a copy of their monthly Statement of Account (SOA) or the purchasing logs, with accountable items highlighted. Cardholders are responsible for coordinating the delivery and approval of nonexpendable items with the Property Book Officer.

q. Statement of Account (SOA): A monthly listing of all charges made by the cardholder and billed by the bank.

r. Tax Exemption. Purchase card transactions may be exempt from state and local taxes, in accordance with the state and local laws. The cardholder is responsible for ensuring the merchant does not charge

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taxes where tax exemptions are applicable, since taxes are not valid disputes and cannot be deducted from payment.

**1-5. GENERAL INFORMATION.**

a. TRADOC Directors of Contracting (DOCs) shall return purchase requests for items or services valued at less than \$2,500, if not supported by an adequate justification why the cardholder cannot obtain the requirement with the purchase card. Cardholders should be able to obtain most micropurchase requirements. Some examples of acceptable justifications include:

(1) If the activity's only cardholder has not yet completed, or is scheduled for training;

(2) If the cardholder has made and documented three calls to legitimate vendors and cannot find a source or vendor who will accept the purchase card;

(3) If the price quoted by the vendor that will accept the card is higher than the price of a vendor that does not. However, note that the DOC may choose to reject a purchase request in this situation if the administrative cost of issuing a purchase order makes it in the best interest of the Government for the cardholder to make the purchase.

b. DOCs shall not issue purchase cards to contractors. If contractors working on cost-type contracts want to request cards, they may forward their request to the bank with a letter from the contracting office stating the card is being requested pursuant to 48 CFR 51.102.

c. Supplies and services up to \$2,500 may be procured with appropriated funds from Non-Appropriated Fund Instrumentalities (NAFIs), using the purchase card as long as the cardholder has received approval for local purchase from the appropriate process owner and the purchase is not otherwise prohibited by law, Executive Order or other regulation.

d. In accordance with AAFES policy, cardholders making official purchases will be granted access to AAFES, but only when payment is made with the purchase card.

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Chapter 2

Responsibilities

2-1. **NOMINATIONS.** Commanders/Directors or their designees will nominate individuals within their organization to serve as Approving/billing official(s) and Cardholder(s).

2-2. **DIRECTOR OF CONTRACTING (DOC).** The DOC has overall responsibility for oversight of the purchase card program on the installation. The DOC will:

a. Designate an individual within the DOC to act as the Agency/Organization Program Coordinator (A/OPC) to monitor/manage the program and resolve problems.

b. Develop (when necessary) and maintain supplemental implementing instructions.

c. Issue delegations of authority to cardholders, appoint approving/billing officials, and establish checking accounts.

d. Promote and publicize the program throughout the command and industry.

e. Assist activities in determining cardholder requirements (e.g., number of cardholders required, authorization limits, authorization codes, etc.).

f. Ensure that prospective approving/billing officials and cardholders receive appropriate training and orientation covering use of the purchase card prior to being delegated authority under the program.

g. Establish approving/billing official and cardholder accounts after they have completed required training.

h. Review cardholder and approving/billing official performance to ensure proper controls are in place to prevent potential fraud, waste and abuse.

i. Maintain statistics and report advantages/disadvantages, barriers, "good news", "lessons learned", etc.

j. Initiate disciplinary action to include suspension of card services and/or investigative review by appropriate authorities, for

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unauthorized use of the purchase card or failure to follow prescribed procedures.

k. Process ratifications of unauthorized commitments. The DOC may process ratifications with the purchase card, so long as all other requirements have been met and approvals obtained.

2-3. **PURCHASE CARD PROGRAM COORDINATOR.** The activity purchase card program coordinator (i.e., the Agency/Organization Program Coordinator [A/OPC]) functions as the primary liaison between cardholders, the installation, HQ TRADOC, the bank and GSA, and will:

a. Be the advocate for removing barriers to maximize use of the purchase card, and will champion purchase card initiatives and opportunities to increase use of the purchase card.

b. Serve as the representative on technical matters for the installation program.

c. Provide and certify training for the purchase card program.

d. Serve as the disputes official, if so designated by the DOC.

2-4. **CARDHOLDERS.** Cardholders hold a public trust and must meet the highest ethical standards. Cardholders shall:

a. Safeguard the purchase card and account number at all times. **CARDHOLDERS SHALL NOT ALLOW ANYONE TO USE THEIR CARD OR ACCOUNT NUMBER, INCLUDING APPROVING/BILLING OFFICIALS, SUPERVISORS, OR COMMANDERS IN THE CARDHOLDER'S CHAIN OF COMMAND.** Failure to safeguard the purchase card and account number will result in the card being withdrawn from the cardholder.

b. Ensure that the purchase card is used **FOR OFFICIAL GOVERNMENT PURPOSES ONLY.** The card is embossed with the cardholder's name and was designed showing the Great Seal of the United States with a red stripe on the top and the words "United States of America" imprinted on it to avoid being mistaken for a personal credit card.

c. Ensure proper documentation of the following elements prior to making any purchase:

(1) Brief, written description of required item or service.

(2) Funding Availability. Funds must be made available prior to making any purchase. The Director, Resource Management (DRM) or activity budget official will be responsible for providing bulk funding for micropurchase transactions. It is the cardholder's responsibility

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to ensure that funding has been certified and is sufficient for the purchase.

(3) Ensure local purchase authority has been provided by the responsible process owner (DIS, DOIM, DPW, DOL, etc.).

(4) If purchasing a property book (non-expendable) or hand receipt (durable) item, ensure that procedures established by the installation DIS are followed regarding property accountability.

d. Check mandatory sources of supply prior to initiating purchases. For instance, some mandatory sources include:

(1) Institute of Heraldry for flags and guidons,

(2) General Services Administration (GSA) for tires, chemicals and other items,

(3) Federal Prison Industries, Inc. (FPI - also known as UNICOR) for furniture and toner cartridges, and

(4) National Industries for the Blind/National Industries for the Severely Handicapped (NIB/NISH) for many office supplies. NIB/NISH requirements can be satisfied by going to GSA, regional Lion's Club International, Inc. stores, or GSA's new federal supply schedule "desktop" contracts.

e. Make purchase card transactions as prescribed in accordance with this SOP, the current GSA contract/task order, applicable commercial banking policy/procedures, procurement statutes, policies and regulations, training received and within the specific, delegated authority. If questions arise, contact the installation Agency Program Coordinator.

f. A single purchase transaction may include multiple items, but the total amount, to include all incidental charges (e.g., shipping/transportation costs) shall not exceed the cardholder's single purchase limit. **DO NOT SPLIT REQUIREMENTS TO STAY WITHIN THE SINGLE PURCHASE LIMIT. THIS PRACTICE IS PROHIBITED.** When the total value of required items exceeds the cardholder's single purchase limit, combine the items on one purchase request and forward it to the DOC.

g. For requirements under \$2,500, competition is not required. However, the cardholder must determine the price to be fair and reasonable (information on how to determine price reasonableness will be covered in cardholder and approving/billing official training) and rotate purchases among qualified vendors.

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h. For transactions whose total value exceeds \$2,500 (the micropurchase limit) and if a higher dollar limitation is authorized in the cardholder's specific delegation, the purchase card may be used for payment purposes only. In these cases, solicit competition from at least three legitimate sources. Also, the following requirements apply:

(1) The transaction must be made in conjunction with a simplified acquisition procedure (such as a purchase order or blanket purchase agreement (BPA), etc.), or to initiate calls or orders placed against existing contracts or agreements (e.g., indefinite quantity contract or Federal Supply Schedule (FSS) contracts, etc.). The contract or agreement must include applicable clauses/provisions and allow for payment with the purchase card. In these cases, it is the responsibility of the cardholder to obtain vendor confirmation that the contract or agreement allows for payment with the purchase card.

(2) Information on placing orders against indefinite delivery contracts is found in Part 16.5 of the FAR (copy on file at the DOC). The DOCs will determine if cardholders outside the DOC will be given authority to place orders against these type contracts and if so, provide training on the types of information that must be documented to satisfy written requirements applicable to placing orders against indefinite delivery contracts, reporting requirements, etc.

(3) For purchases over \$2,500 (when authorized in the cardholder's specific delegation), when placing orders under federal supply schedule (FSS), multiple award contracts, determine the price to be fair and reasonable and provide FSS vendors a fair opportunity to be considered for each order.

i. Inform merchants that the purchase is for official Government purposes and, therefore, may be exempt from state or local taxes in accordance with state law. The purchase card is imprinted with "U.S. Government Tax Exempt" for additional clarification. The tax exempt number is the first eight digits of the purchase card number. If the vendor refuses to accept this status, in accordance with state/local tax laws, the cardholder should notify their Agency Program Coordinator or the local Directorate of Contracting.

j. **Backordering is not allowed. Cardholders are responsible for informing the vendor that billing cannot occur until the item(s) are shipped and/or delivered.** Ensure that the merchant uses either electronic or telephone clearance of purchase from the bank. Items purchased must be available for delivery within 30 days or by the time the monthly report is received to simplify monthly reconciliations. Multiple delivery sites on a single order are acceptable so long as the vendor does not bill until all deliveries under the transaction are made and accepted by the Government.

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k. Authorization is obtained by the vendor automatically for all purchases at the point-of-sale. The bank authorization system checks each individual cardholder's single purchase limit, monthly limit, and the type of merchant being utilized before the transaction is approved. This ensures that cardholders are within the limits established in their letter of authorization. Emergency purchases beyond the assigned monthly limit may be authorized by the approving/billing official, but must be coordinated with the installation A/OPC at the DOC and the bank prior to exceeding limits.

l. Maintain a comprehensive register/log of all purchases, with supporting documentation. Register/log should be complete and up-to-date since it will be used to reconcile the monthly SOA and will be subject to review by the approving/billing official, DOC, IRAC, AAA or other surveillance organizations/activities.

m. Review, verify and reconcile the itemized monthly statement of account (SOA). Ensure that all documents (sales slips and/or delivery tickets, etc.) are legible, accurate, complete and on hand for reconciliation at the end of the billing cycle. If charged for an item incorrectly, provide a complete explanation of the error on the statement. Also, complete the "Statement of Questioned Item" form and forward the original to the bank with a copy to the approving/billing official to accompany the SOA for forwarding to DFAS. **NOTE: items not received during the billing cycle should not be immediately disputed (see paragraph 3.5, Disputes, for additional information).** Sign the SOA, attach supporting documentation (including credit vouchers), and forward all to the approving/billing official **within 5 days of receipt from the bank** (if in doubt as to the date the SOA was received by the Government, use the date on the SOA as a reference point). If the SOA is not received by the second day of the month following the billing cycle, contact the bank (the number is on the back of the purchase card) and request a reprint of the SOA.

n. Retain all copies of purchase card charge slips (sales draft), vendor invoice or cash register receipt (or delivery ticket), etc., with the copy of the SOA. These documents become part of the audit trail and must be retained for two years. (See Appendix E for additional record keeping information.)

o. During periods of temporary duty (TDY) or when on leave status, during the period when the Statement of Account (SOA) is received for verification/reconciliation, the cardholder must forward all supporting documentation to the approving/billing official prior to departure. The approving/billing official will be responsible for reconciling charges and coordinating with the billing office to ensure timely payment. The cardholder must sign a copy of the SOA upon return to work.

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2-5. **APPROVING/BILLING OFFICIALS.** Approving/billing officials, like cardholders, must also meet the highest ethical standards. Approving/billing officials shall:

a. Ensure that completed SOAs are promptly received from all cardholders. It is the approving/billing official's responsibility to contact the cardholder and obtain SOAs if they are not provided on time. The approving/billing official will also receive a "roll up" statement of transactions for all cardholders for whom he/she is the approving/billing official.

b. Review each cardholder's SOA and supporting documentation to ensure that local purchase authority was received from the process owner prior to purchase, that the purchase was for official Government use and that it was made in accordance with applicable regulations and this SOP. If a purchase is questioned for any reason, discuss it with the cardholder. If the item should not have been purchased, require the cardholder to return the item and obtain a credit against the card number used in the original purchase. **NEVER ALLOW CASH CREDITS TO BE GENERATED!** The other alternative is to obtain a personal check from the cardholder for the full amount of the purchase, made out to the "Treasurer of the United States." Resolution of potential improprieties and penalties for misuse of the purchase card are the responsibility of the approving/billing official. Actions against the cardholder should be coordinated with the DOC, and can range from a letter of reprimand, suspension or revocation of the purchase card, to removal of the employee depending on the severity of the violation.

c. Approve and certify for payment all undisputed amounts by signing the SOA and the invoice. Return the supporting documentation (sales receipts, delivery tickets, etc.) to the cardholder, who is responsible for retaining these documents for audit purposes. Within 15 days of receipt of the SOA by the cardholder (or if date of receipt by the Government is unclear, within 15 days of the date on the SOA), submit the approved original SOAs to Defense Finance and Accounting Services (DFAS).

d. Coordinate, process and monitor disputed purchases, credits and billing errors.

e. If the cardholder is absent during the time period when the SOA must be verified and forwarded, reconcile the SOA and forward a copy to DFAS. Upon the return of the cardholder, the original SOA must be properly signed and forwarded to DFAS.

f. Together with the Resource Manager, establish cardholder spending limits based on office need and coordination with the commander/director and the budget certifying official.



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(1) Ensure that prior to authorizing a cardholder to use his/her card as a method of payment for a transaction valued greater than \$2,500 (if so authorized in his/her letter of delegation), the Cardholder Account Update form has been completed and submitted to the installation Agency Program Coordinator to establish a separate account or to otherwise distinguish between the different types of cardholder authority.

(2) The cardholder's specific delegation of authority should clearly indicate dollar limitations for the different types of transactions. The micropurchase limit (\$2,500) is the maximum single purchase amount for most cardholders.

(3) The single purchase limitation for training requirements is \$25,000, when the purchase card is used in conjunction with a DD 1556.

(4) Cardholder accounts that are established as "Super Users" under a Purchase Card Agreement (PCA) shall include a delegation of authority for maximum single purchases not to exceed \$25,000, in accordance with the terms and conditions specified in the PCA.

(5) A limited number of outside-DOC cardholders may be authorized a higher amount if authorized to use the card as a payment method in conjunction with a simplified acquisition procedure (e.g., purchase order, BPA, requirements type contract, etc.).

g. Complete the Approving/Billing official Account Update form and forward to the DOC when changes to the approving/billing official account are necessary.

**2-6. DEFENSE FINANCE AND ACCOUNTING SERVICE (DFAS).** As the designated payment office, DFAS will:

a. Receive monthly SOAs and invoices after verification and certification by approving/billing officials.

b. Make proper payments to the bank, upon receipt of a properly certified invoice.

c. Notify the Billing/Approving Official, the local purchase card Agency Program Coordinator and/or the bank, when receipt of SOAs is delinquent.

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Chapter 3

General Instructions

**3-1. TRAINING REQUIREMENTS.**

a. Prospective cardholders and approving/billing officials must complete appropriate training (the DOC will determine the extent and duration) on use of the purchase card. This training will be developed by the DOC and will include but not necessarily be limited to information about federal, defense and Army regulations, policies and procedures pertaining to micropurchases and simplified acquisitions, and Government ethics training. Orientation shall address GSA, the banking process, policy/procedures and installation specific procedures for use of the purchase card. Training for cardholders and approving/billing officials at remote locations may also be conducted using a training video prepared by the DOC. This training will be conducted by the installation Agency Program Coordinator or an authorized individual outside the DOC.

b. Installation process owners are encouraged to actively participate in this instruction. At the very least, they are responsible for presenting material in their area of expertise.

c. For those cardholders who are authorized a single purchase limit exceeding \$2,500, additional training (e.g., on competition and small business set-aside requirements, extent of "adequate" documentation for higher dollar value acquisitions, etc.) is required. The DOC will determine the extent and duration of this additional training.

**3-2. IMPLEMENTATION PROCEDURES.** The cardholder's organization will ensure internal procedures are established that include, but are not necessarily limited to the following topics/issues:

a. Funding process, including procedure to commit funds prior to purchase and to record obligations after purchases are made;

b. Packaging, marking and delivery procedures to ensure easy identification of items received.

c. Designation of personnel responsible for certifying receipt and acceptance of items ordered.

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d. Procedure or process to add accountable (non-expendable/durable) items to the property book or hand receipt, respectively.

e. Ensure that a copy of the delivery ticket is provided to the cardholder no later than one day following receipt of the item(s) when deliveries are made to a Central Receiving Point (CRP).

f. Procedures to ensure SOAs are verified, certified and forwarded to DFAS in accordance with required timeframes, during times of absence of cardholders and approving/billing officials.

3-3. **DOLLAR LIMITS.** Any changes to the following limits must be requested by the approving/billing official or the Director, Resource Management (DRM). The approving/billing official must complete the Cardholder Account Update form and forward it, along with a supporting memo, through the appropriate budget office to the Agency Program Coordinator.

a. Single Purchase Limit.

(1) This is the amount the cardholder can obligate per transaction, per vendor, and will be authorized by the DOC in the cardholder's delegation of authority. This amount will be determined by the approving/billing official in coordination with the commander/director and budget certifying official, and will normally be limited to the micropurchase threshold (\$2,500) for outside-DOC cardholders. DOC and some outside-DOC cardholders, with appropriate training and experience, may be authorized a higher amount when the card is used as a method of payment (must be specifically authorized in the cardholder's delegation of authority), where the card is being used:

(a) in conjunction with a simplified acquisition procedure such as a purchase order, blanket purchase agreement (BPA), purchase card agreement (PCA).

(b) with a DD 1556 for training requirements, or

(c) for printing services from Defense Automated Printing Services (DAPS).

(d) to initiate calls or orders placed against existing contracts or agreements which include applicable clauses/provisions, and

(e) to order from contracts where contract/procurement terms/provisions provide for payment by the purchase card.

(2) A single transaction may include multiple items, but the total amount of the transaction, to include all incidental charges

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(e.g., transportation costs), shall not exceed the cardholder's single purchase limit. **PURCHASES SHALL NOT BE SPLIT** in order to stay within the single purchase limit.

b. Monthly Cardholder Limit. This is a budgetary limit established by the approving/billing official in coordination with the budget certifying official. This limit is used for funds control purposes.

(1) The total cumulative dollar value of all purchases during a single billing cycle may not exceed the established monthly limit, which is identified in the cardholder's delegation of authority.

(2) The approving/billing official will be notified by the bank when 95% of the cardholder's total monthly limit has been reached. The approving/billing official must notify, in writing, the installation Agency Program Coordinator, if a higher monthly limit becomes necessary; for instance, at fiscal year-end.

c. Monthly Approving/billing official Limit. This is the total of all monthly spending limits of cardholders under an individual approving/billing official. The bank will provide notice when a cardholders' activity reaches 80% of the approving/billing official's monthly authorization. If at some point the monthly cardholder limit is raised, then the approving/billing official's monthly limit must also be raised before the bank will accept the increased expenditures in any given month.

#### 3-4. **STATEMENTS.**

a. The bank will provide four statements at the end of the billing cycle. One (the SOA) will go to the cardholder; it contains a listing of all items purchased in the previous 30 days. **BILLING STATEMENTS SHALL BE DATE STAMPED IMMEDIATELY UPON RECEIPT.** The second is a composite statement provided to the approving/billing official, which contains all purchases made by that approving/billing official's cardholders during the previous month. The third and fourth statements are composite statements, provided to DFAS, of all cardholder purchases made during the previous month for the installation. The invoice, coupled with the SOAs provide for validation of receipt of services and/or supplies for payment. Purchases that have been made during the billing cycle will be paid by the bank. Reimbursement to the bank will be made each month by DFAS.

b. The cardholder will receive the SOA. Information must be filled in by the cardholder. Space is provided for a brief description of items purchased, the organization accounting code, object class code, and designation of business classification. In addition, there is space for the cardholder to note any errors on the bill. The

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cardholder verifies purchases, signs the SOA and forwards it, along with his/her copies of the customer receipts (sales draft) received at the time of purchase or the delivery ticket and the questioned item form(s) (if there are any), to his/her approving/billing official for verification. After verification by the approving/billing official, these supporting documents are returned to the cardholder. The approving/billing official will certify the SOA, sign and forward it to DFAS for payment. NOTE: As installations implement the single line of accounting per cardholder account initiative, the above procedures will be revised. This SOP will be updated at that time.

c. The bank will issue the statements on the same day every month. The approving/billing official must forward all certified SOAs and invoices to DFAS at the same time every month.

**\*\*\*\*\* ENSURE STATEMENTS/INVOICES ARE DATE STAMPED.\*\*\*\*\***

**3-5. DISPUTES:**

a. Cardholders should not dispute nonreceipt of billed items during the first billing cycle since many of those items are typically received within the next billing cycle. The charge for an item should be paid when it appears on the invoice. Cardholders should wait 45 days prior to disputing non-receipt of billed items. These items must be tracked **to insure they are received during the next billing cycle;** if not, they must be promptly disputed.

b. If the cardholder purchases items or services that are found to be defective or faulty, the cardholder has the responsibility to return the item to the merchant for replacement or to receive a credit on the purchase that will appear on the next month's SOA. If the merchant refuses to replace the item or correct the faulty service, then the transaction will be considered to be in dispute. Any billing discrepancies/disputes that cannot be resolved by the cardholder and the approving/billing official should be directed to the disputes official at the DOC.

c. Payment for the disputed item or service will be credited immediately. The next month's statement will reflect this credit. The bank will investigate the dispute and make a determination if payment should be deferred or made. The Government has the right to refuse to make payment. If there is a dispute, the "Cardholder's Statement of Questioned Items" form should be completed by the cardholder, attached to the SOA and provided to DFAS so it can be forwarded to the bank for resolution.

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3-6. **AUTHORIZED USE.**

a. A purchase card, which is issued with the cardholder's name embossed on the front, shall be used only by that individual. **NO OTHER PERSON IS AUTHORIZED TO USE THE CARD, INCLUDING APPROVING/BILLING OFFICIALS, SUPERVISORS, OR COMMANDERS IN THE CARDHOLDER'S CHAIN OF COMMAND.**

b. Authorization is sought automatically by the vendor for all purchases at the point-of-sale. The banking authorization system checks each individual cardholder's single purchase limit, monthly limit, and the type of merchant being utilized before the transaction is approved.

3-7. **UNAUTHORIZED USE.** The only "absolute" restrictions on use of the Purchase card are imposed by GSA and are:

a. Cash advances (includes money orders);

b. Long-term rental or lease of land or buildings; and

c. Telecommunication (telephone) services (e.g., major network services like FTS2000, DSN, DISN or dedicated voice and data circuits).

3-8. **CONTROLLED PURCHASES.** The Purchase card cannot be used to obtain the following items without the specific approval from the supply system IMM (Integrated Material Manager). The Directorate of Installation Support (DIS) will obtain these approvals for the customer regardless of method of payment:

a. Weapons system related items;

b. Handguns, firearms and other sensitive items; and

c. Hazardous materials such as chemicals, ammunition and explosives.

3-9. **"CONDITIONAL" USE.** Items or services not identified as restricted or controlled above may be potential candidates for acquisition with the purchase card after local purchase authority has been provided by the process owner (e.g., DOIM, DIS, DPW, DOL, etc.). However, if the requirement is not relatively "straight forward" and "non-complex" in nature (e.g., in the case of some repair services), it should probably be forwarded to the DOC for purchase. In this case, if the value of the acquisition is under \$2,500, it should be accompanied by an explanation as to why it cannot be obtained by the cardholder. Some examples of types of items or services that might be obtained via the purchase card are:

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a. Short term Government vehicle leases (not for personal TDY use) (Process owner DIS).

b. Items normally available in the DoD wholesale supply system, but time of expected delivery and cost will jeopardize satisfactory completion of mission requirements (Process owner DIS).

c. Travel-related expenses:

(1) Purchase of airline, bus, boat, train or other travel related tickets (Process owner DIS) (see note below).

(2) Purchase of meals, lodging or other authorized travel subsistence expenses (Process owner DIS) (see note below).

NOTE: There are other types of credit cards (i.e., the Government travel card) designed for travel purposes and must be used to the maximum practical extent. Although the purchase card is not intended for use to pay for travel related expenses, it is possible to use the card for travel purposes when:

- specifically authorized under the merchant activity type code,
- where the mandatory GSA travel and subsistence card (is not accepted, and
- when the traveler has specific written permission of his/her supervisor and/or approving/billing official.

Also, the cardholder must present the vendor with a copy of his orders as proof of official travel status and a tax exempt form for eligibility for state and local tax exempt status. However, there are states that do not recognize travelers on official duty as "tax exempt". In these cases, the traveler will claim the tax portion of the bill on his travel voucher. **If the purchase card is used, it is the responsibility of the cardholder and his/her supervisor and/or approving/billing official to ensure the cardholder does not claim the amount charged on the purchase card on his/her travel voucher.** Further, suggest remarks section on the voucher set out/emphasize what was paid for with what card.

Also, note that under the U.S. Government car rental agreement program, the purchase card is not considered acceptable proof of official travel status, nor is it honored as a payment method.

Some examples where it may be appropriate to use the purchase card subject to the above stated conditions:

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- In support of the Department of Defense Information Program for International Military Students.

- Meals for service members during reserve training.

- Meals for members of casualty details.

- When administrative cost of preparing/processing travel orders and vouchers exceeds amount of funds to be reimbursed to the traveler.

- Meals provided for installation visitors at official functions when it is otherwise appropriate for protocol purposes.

d. Purchase of gasoline or oil for vehicles except: aircraft, vessels, and department owned vehicles (Process owner DIS).

e. Repair of GSA leased (interagency fleet management) vehicles (Process owner DIS).

NOTE: Those customers of the GSA Fleet Management Program who use the SF 149, U.S. Government National Fleet Card, to pay for services, maintenance and repair to IFMS vehicles shall not use the purchase card in lieu of the SF 149 to pay for those same purchases without specific approval of the process owner.

f. Mission essential personnel clothing or footwear (e.g., safety shoes, safety glasses, etc.) (Process owner DIS).

g. Printing or copying services. Note that statutory and regulatory restrictions govern commercial procurement of printing regardless of method of payment. **Printing services must be procured from the Defense Automated Printing Service (DAPS)**, and it is acceptable and encouraged to use the purchase card for payment (Process owner DOIM, but no preapproval is required when obtaining printing from DAPS).

h. Construction (not to exceed \$2,000), alteration, or repair of real property (Process owner DPW/ENG).

i. Short-term rental or lease of land or buildings (e.g., deploying unit needing office space for a month) (Process owner DPW/ENG).

j. Janitorial, yard and maintenance services valued at under \$2,500, if these services are not available under an existing BASOPs service contract (Process owner DPW/ENG).

k. ADP and telecommunications supplies, software, equipment and repair and/or other services (Process owner DOIM).



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l. Payment of telecommunications (telephone) services under an existing intergovernmental or installation service contract (Process owner DOIM).

m. Audiovisual aids or equipment (Process owner ATSC or Post AV).

n. Unit guidons, flags, battle streamers, or unit coins if approved by the Institute of Heraldry.

o. SSA ASL stocked items, if out of stock or estimated delivery date will not meet immediate requirements (Process owner DIS).

p. Personalized or promotional items (e.g., commander's coins) approved for purchase with appropriated funds (Process owner CG or Protocol).

q. Nonexpendable/durable property (Process owner DIS).

3-10. **PENALTY FOR MISUSE.** Intentional misuse of this card for other than official Government business will be considered as an attempt to commit fraud against the U.S. Government and will result in the immediate cancellation of the card and may also result in disciplinary action against the cardholder. Severity of discipline can range from reprimand to removal from Government service, under applicable Department of the Army procedures. The cardholder will be personally liable to the Government for the amount of any unauthorized purchases and possible subjection to a fine of not more than \$10,000 or imprisonment for not more than 5 years, or both under U.S.C. 641.

3-11. **LOST OR STOLEN CARDS.**

a. Should the purchase card be lost or stolen, the cardholder must immediately notify his/her approving/billing official and the bank (Customer Services). The approving/billing official will require the following information to complete a report:

- (1) the card number
- (2) cardholder's complete name
- (3) the date the card was lost or stolen
- (4) if stolen, the date reported to the police
- (5) date the bank was notified
- (6) any purchases made on the day the card was lost or stolen

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(7) any other pertinent information

b. Once the card has been reported to the bank, a new card with a new account number will be mailed to the cardholder within ten business days of the reported loss or theft. The Government may be responsible for the charges against this card should the bank not be notified at once of the loss of the card.

c. The approving/billing official shall provide the written report to the DOC. The report will include the date of loss, the last date of purchase made and any other relevant information.

d. If a reported lost or stolen card is later found, the cardholder should cut the card in half and give it to his/her approving/billing official. The approving/billing official will complete a destruction notice and forward it to the installation purchase card program coordinator.

3-12. **DEPARTURE OF CARDHOLDER.** Before clearing the installation, the cardholder must return the card to the approving/billing official, or the Agency Program Coordinator who will destroy the card and complete the maintenance to close the account. Copies of the cardholder's SOAs and supporting documentation must be retained by the approving/billing official for final payments/account close out.

3-12. **TRANSFER OF CARDHOLDER TO ANOTHER APPROVING/BILLING OFFICIAL.** If a cardholder is transferred to another office with a different approving/billing official, the new approving/billing official must determine if the employee will be a cardholder within the new office. If it is determined that the card should be kept by the cardholder, the new approving/billing official should request, in writing, that the A/OPC change the master file to update the cardholder's status without issuing a new card.

3-14. **REQUESTS FOR ADDITIONAL PURCHASE CARDS OR CHANGES.** All requests for new cardholders or changes to current cardholders accounts will be done on authorized forms only and submitted to the DOC for processing. The following information must be provided:

a. Full name of the cardholder, cardholder's work address and commercial work place number (new accounts). If maintenance is needed on an existing account, the cardholder's credit card number must be provided and only that information which is changing needs to be filled in on the form.

b. Approving/billing official's name must appear on all forms.

c. Organization name, fiscal appropriation number this individual would normally use, the single purchase limit and the 30 day spending

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limit to be assigned to the cardholder (new accounts only unless this information is to be changed on an existing account).

3-15. **OVERSIGHT.** TRADOC DOCs are responsible for conducting an annual review of cardholders' purchase records. Items of particular interest would include but not necessarily be limited to: evidence of bulk funding, the appearance of "splitting requirements", potential use of the card by other than the designated cardholder, timeliness of the submittal of SOAs to DFAS, etc. The review should be conducted on a random sampling basis. All cardholder and/or approving/billing official records connected with the purchase will be made available upon request.

3-16. **INTERNAL CONTROL PROCEDURES.** The organization/unit commander or office chief is responsible for ensuring that adequate management controls are in place and working to provide reasonable assurance that resources are protected from fraud, waste and misuse. They are also responsible for periodically evaluating key management controls and correcting any weaknesses found as a result of these evaluations. Commanders and managers should ensure that cardholder and approving/billing official files are reviewed on a regular basis for compliance with this SOP. A checklist/worksheet will be completed to evaluate the effectiveness of their purchase card program. If commanders and managers elect to evaluate these controls, the evaluation should be included in their Management Control Plan. Results of these evaluations will be documented on DA Form 11-2-R (Management Control Evaluation Certification Statement). The DA Form 11-2-Rs will be certified by the Assessable Unit Manager. Negative reviews could result in suspension of the cardholder's purchase card or the approving/billing official's authority and responsibilities under the purchase card program.

**APPENDIX A**

ACRONYMS

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ACH	Automated Clearing House
AFARS	Army Federal Acquisition Regulation Supplement
A/OPC	Agency/Organization Program Coordinator
APC	Accounting Processing Code
ASF/SOA	Army Stock Fund/Supply Operations, Army
ASL	Authorized Stockage List
BO	Billing Official
BPA	Blanket Purchase Agreement
BSP	BankCard Software Program
CARE	Customer Automation Reporting Environment
COPARS	Contractor Operated Parts Store
COR	Contracting Officer Representative
CRP	Central Receiving Point
DFARS	Department of Defense Federal Acquisition Regulation Supplement
DIS	Directorate/Director of Installation Support
DOC	Directorate/Director of Contracting
DOIM	Directorate of Information Management
DPW	Directorate of Public Works
EFT	Electronic Fund Transfer
FAR	Federal Acquisition Regulation
MDWS	Military District Washington Software

**APPENDIX A**  
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PCA	Purchase Card Agreement
FIP	Federal Information Processing

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ISSA	Installation Supply Support Activity (Installation Supply Division)
IMPAC	International Merchant Purchase Authorization Card
ISD	Installation Supply Division
PBO	Property Book Officer
PC	Personal Computer
SIC	Standard Industrial Classification
SOP	Standard Operating Procedures
SMA	Supply Management Army
SSA	Supply Support Activity
SSSC	Self-Service Supply Center
TISA	Troop Issue Subsistence Activity

**APPENDIX B**

Resource Management Procedures & Instructions

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1. **PURPOSE:** To provide standard procedures for purchase card users. Procedures are intended to streamline the purchase card process and reduce the administrative cost of managing the program for purchases of \$2,500.00 and less.

2. Resource Managers will coordinate with the Agency/Organization Program Coordinator (A/OPC) to make the following changes to all new and existing cardholder micropurchase accounts. Cardholder updates should be completed prior to the next billing cycle. Procedural changes are as follows:

a. The RM will assign a single accounting classification for each IMPAC Cardholder account number. Use only one basic symbol on each card to provide an adequate audit trail for future interest payments, discounts and rebates. The accounting classification should be entered in the "Master Accounting Code" field on the cardholder account set-up or account maintenance information form. This will allow the accounting classification to be automatically reflected on the Cardholder's statement of account. A total of 50 characters is available in the Master Accounting field to accommodate the fund citation. The fund citation should be entered in this field as follows:

<u>POSITION</u>	<u>LENGTH</u>	<u>DATA ELEMENT</u>
1-2	2	<u>Department</u>
3	1	<u>Fiscal Year (Fill with an asterisk)</u>
4-7	4	<u>Basic Symbol</u>
8-11	4	<u>Limit/Subhead</u>
12-13	2	<u>Operating Agency (OA)</u>
14-17	4	<u>Allotment Serial Number (ASN)</u>
18-21	4	<u>Element of Resource (EOR)</u>
22-35	14	<u>Standard Document Number (SDN)</u>
36-39	6	<u>Account Processing Code (APC) or Cost Center</u>
40-44	3	<u>Bank or Local Use</u>
45-50	6	<u>Fiscal Station Number (FSN)</u>

(1) Fill the Fiscal Year position with an asterisk. Cardholders will have to verify the correct fiscal year on the statement of account. Right justify and zero fill any incomplete fields.

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(2) Determine the most appropriate EOR for each cardholder account. Do not request additional cards to separate purchases by object class, instead select the most appropriate EOR for that

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Cardholder. If your activity is already using an automated system to assign more specific EORs or accounting classifications to the transactions and this system forwards the detailed accounting transactions to DFAS via electronic means (i.e., No manual keypunching by DFAS personnel), you may continue to use your local procedures.

(3) Assign a Standard Document Number SDN to each cardholder's account. One of the two following methods should be used.

(a) Assign a single SDN to the cardholder's account using the "Master Accounting Code" field as described in paragraph 3.a. above. This method will result in the same SDN being used for all purchases made under that Cardholder's account. Recommended structure is:

<u>POSITION</u>	<u>ENTRY</u>
1-5	"IMPAC"
6-9	Level 5 Number (Approving/Billing Official)
10-14	First 5 Letters of Cardholder's Last Name

(b) Assign a single SDN to each cardholder account for every monthly invoice. This allows managers to track obligations and disbursements by invoice. Managers choosing this option must ensure positions 1-5 and 10-14 are coded to the "Master Account Code" field. Positions 6-9 will be filled with an asterisk. Cardholders and/or Approving/Billing Officials will be responsible for ensuring the entire SDN, including Julian date, is clearly annotated on the Approving/Billing Official's Statement prior to transmittal to the finance office for payment.

<u>POSITION</u>	<u>ENTRY</u>
1-5	"IMPAC"
6-9	Julian Date of Invoice
10-14	First 5 Letters of Cardholder's Last Name

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(Continued)

© In order to safeguard account numbers, we do not recommend using the last four positions of the cardholder's account number in the SDN.

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3. Resource Managers will fund IMPAC purchases using the "bulk" method. This method requires a periodic (monthly, bimonthly, quarterly) fund reservation (obligation or formal commitment) equal to the anticipated purchases for that period. Commitments will be posted prior to the beginning of the billing cycle. Obligations will be posted not later than the invoice payment date. Disbursements should decrement bulk funding. Do not post individual line item obligations or disbursements for each purchase transaction.

4. Organizations using manual methods to forward payment information to DFAS should also make the following changes:

a. Cardholder Statements of Account (SOA) and other original documentation should be retained by the Approving/Billing Official or program manager for a period of two years.

b. Approving/Billing Officials shall match the Cardholder SOA to Approving/Billing Official Statement, review disputed item forms, verify/annotate the accounting classification, sign/date the Billing Statement and forward it and any dispute forms to the bank and DFAS-IN paying office for reconciliation.

5. All activities should be advised that the Assistant Secretary of the Army for Research, Development and Acquisition (ASALT) released a policy letter dated 12 July 1996 that implements delayed dispute procedures for all purchase card transactions. In summary, this policy requires cardholders to delay dispute on non-received items for a period of 45 days or the receipt of the next invoice, whichever occurs first. The current dispute procedures in use are labor intensive. Studies have shown that most items that have been billed but not received are, in fact, received by the next billing cycle. The GSA contract and banking policy allows a dispute period of 60 days from the date of the Billing Statement/initial invoice.

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6. Requests for exception to the above financial management procedures (paragraph 2) must be approved by the Deputy Assistant Secretary of the Army for Financial Operations (DFAS(FO)). Activities granted an



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exception will be required to provide an automated method that (1) rolls up accounting information to the fewest possible lines of input and (2) transfers that information via electronic file to the paying office.

**APPENDIX C**

Supply Procedures & Instructions

1. **PURPOSE.** To establish procedures to be used by purchase

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cardholders when buying non-catalogued, non-stocked, non-standard items of supplies and equipment. Where conflicts exist between supply regulations and these procedures, these procedures govern.

**2. PROCEDURES.**

a. The cardholder is authorized, in writing, as an ordering officer by the DOC.

b. Items stocked in the Supply Support Activity (SSA) Authorized Stockage List (ASL) (either the ISD, Self-Service Supply Center (SSSC), or Clothing Initial Issue Point) do not normally qualify for local purchase. Cardholders will verify stockage status of an item prior to initiating procurement action. This clearance action can be obtained either telephonically from the Installation Supply Division (ISD), or from a listing provided by the ISD to the cardholders for this purpose. The item may be purchased with the purchase card if the required item is out of stock and the estimated delivery date will not meet immediate requirements. In this case, local purchase authority must first be obtained from the SSA, the value of the transaction must be within the cardholder's dollar limitation and the purchase is otherwise made in accordance with established purchase card program guidelines. The SSA should maintain a log of all telephonic clearances. The purchase card may also be used to maintain an appropriate stockage level of ASL items if that is determined to be the most efficient method of stock replenishment.

c. Prior to making a purchase, the cardholder will determine if the required item is on a list of items that have been preapproved for local purchase. If the item is not on such a list, the cardholder will obtain local purchase authority from the DIS and ensure that funds are available prior to making the purchase. Controls will be instituted by the approving official to ensure available funding is not exceeded.

d. The purchase card may be used to buy centrally managed, commercially available National Stock Number (NSN) items when the designated approving/billing official determines the purchase is to be in the best interest of the government. "Best interest" equates to a

**APPENDIX C**  
(Continued)

combination of quality, timeliness, cost and improved readiness. An example is a repair part purchased from a DLA-Approved vendor.

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e. Cardholders may by-pass the Stock Record Account when purchasing items that:

(1) are not in the Army inventory;

(2) have not been assigned a NSN but have been coded in the Army Management Data File (AMDF) for local purchase with Acquisition Advice Code of "K", or "L";

(3) needed in emergency situations;

(4) that have been previously requisitioned through the supply system but have been returned to the customer for local purchase procurement with rejection codes of "CK", "CP" and "CW".

f. Cardholders must observe established priorities for use of government supply sources. In descending order of priority, as described in 41 Code of Federal Regulations 101-26.107, agencies shall satisfy supply requirements from agency inventories, excess from other agencies, Federal Prison Industries, procurement lists of products available from the Committee for Purchase from People Who Are Blind or Severely Disabled, wholesale supply sources (such as stock program of the General Services Administration, the Department of Veteran Affairs and military control points), and finally commercial sources.

g. Demands must be recorded for purchases of repair parts. "Post-post" procedures are required to record these purchases. ULLS customers will process a demand transaction, DIC DHA to SARSS-1. Demand data is required for materiel management center at the national level and for input to the TRM mode.

h. Local purchase provisions under AR 710-2, Paragraph 4-20, do not apply to these purchase card transactions.

i. Hand receipt holders must prepare a DD Form 250 Material Inspection and Receiving Report to acknowledge and report purchases of nonexpendable items to the PBO. The following procedures will be used

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when completing the DD Form 250 and will be found in Unit Supply Update 15.

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(1) Block 1. Enter the word "IMPAC".

(2) Block 2. Enter the invoice number or reference number from the vendors receipt.

(3) Block 9. Enter the vendor's name and address.

(4) Block 13. Enter the hand receipt number and unit address.

(5) Blocks 15 thru 20. Enter information pertaining to item(s) purchased.

(6) Block 22. Enter date of purchase and hand receipt holder's signature.

j. Durables may also be purchased. Hand receipt control of durables will be established and maintained.

k. The cardholder will maintain a file including records of each purchase made with the purchase card (e.g., certifications of bank statements, receipts, credit vouchers, etc.). These records will be made available to oversight officials (e.g., supervisor, internal review, auditors, etc.) upon request.

l. When the cardholder makes an over-the-counter purchase, upon return to the activity, the person requesting the item will verify receipt of the item by signing the receipt/delivery ticket. When a telephone order is made, the item ordered should be delivered to the individual's office. If the DOC orders the item, it may be necessary to have the item delivered to the Central Receiving Point (CRP). If this is the case, the item must be identified showing who requested the item so the CRP can immediately notify the individual for pick up.

If the CRP is used, the cardholder is responsible for ensuring that the receiving individual verifies receipt of the item, that the item is picked up within one (1) workday from receipt, and that the delivery ticket/shipping document is received within the same one-day time frame.

**APPENDIX C**  
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m. If the same item contains hazardous materials, written approval to purchase must be secured from the installation Hazardous Materials POC and the ISSA accountable officer prior to making the purchase (see AR 200-1, Chapter 5, Environmental Protection and Enhancement, for details of the hazardous materials program).

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**APPENDIX D**

Purchase of FIP Resources Instructions

1. **PURPOSE.** To establish procedures to be used by cardholders when acquiring Federal Information Processing (FIP) equipment and spare parts, and telecommunications equipment and spare parts.

2. **PROCEDURES.**

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a. Authority for cardholders outside the DOC to purchase FIP equipment, telecommunication equipment, and FIP/telecommunication repair parts shall be jointly decided by the DOC and DOIM. The purchase card shall not be used to acquire licensed software that requires a separate software license agreement to be signed prior to purchase (i.e., other than off-the-shelf). The deciding factor is that a purchase card transactions must be "stand alone"--that is, not require additional documentation or agreements to be signed.

b. The DOIM and DOC shall establish controls to assure that all required approvals are in place prior to placing an order for FIP resources.

c. The purchase card is limited to purchases using OMA funds only.

d. The purchase card shall not be used for FIP services that involve:

(1) services exceeding \$2,500,

(2) service/maintenance on equipment covered by existing contracts, unless the particular contract has provisions for payment with the purchase card.

**APPENDIX E**

Record Keeping Instructions

1. **PURPOSE.** To establish procedures to be used by cardholders for records created under the purchase card program.

2. **PROCEDURES.**

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a. The  
existing file  
numbers

**PURCHASE CARD PROGRAM - REPORTING LEVELS**

**APPENDIX F**

**LEVEL 1**

The first reporting level, Level 1, of the reporting hierarchy represents the Department of Defense as a whole. A unique prefix number for all accounts issued under this program has been assigned, which allows the bank to meet the program requirements and to establish separate authorization and processing controls for accounts.

referenced in AR 25-400-2. The Modern Army Recordkeeping System (MARKS) will be used for records created under the purchase card program.

b. Cardholders shall establish a file system using the following file numbers:

- (1) FN 715  
Title: General Procurement Correspondence files  
Description: Information relating to procurement which cannot logically be filed with the detailed record numbers below.  
Disposition:  
ACTION documents. Destroy after 2 years.  
NONACTION documents. Destroy when no longer needed.
- (2) FN 715h  
Title: Contracting Officer Designations  
Description: Records pertaining to delegations of authority for cardholders and appointment of approving/billing officials.  
Disposition: Destroy 2 years after recession or termination.
- (3) FN 27-1g  
Title: Commitment documents  
Description: Records pertaining to operating elements of a headquarters or other office to requisition supplies or services. Included are DA Form 3953 (Commitment and Purchase Request), purchase card transactions, and similar information.  
Disposition: Destroy after 3 years except that documents on exceptions taken by auditors will be kept until cleared by a satisfactory reply to the notice of exception and then destroyed.

U.S. Army, HQ TRADOC  
Standard Operating Procedures  
Purchase Card Instructions

**LEVEL 5**

The fifth reporting level, Level 5, identifies the particular service/agency Unit. Using the previous examples, Level 5 offices could include:

Level 1-Department of Defense  
Level 2-Department of the Army Level  
3- HQ TRADOC  
Level 4-DOC/APC  
Level 5 - Billing/Approving Official

**LEVEL 2**

The second reporting level, Level 2, generally will identify the Military Service. Examples of offices identified at Level 2 include:

Level 1-Department of Defense  
Level 2-Department of the Army

**LEVEL 3**

The third reporting level, Level 3, generally will identify the Major Command or Defense Agency within a Level 2. Using the previous Level 2 examples, Level 3 offices could include:

Level 1-Department of Defense  
Level 2-Department of the Army  
Level 3- HQ TRADOC

**LEVEL 4**

The fourth reporting level, Level 4, identifies the particular service/agency Installation. The Agent will generally be identified at this level. Using the previous examples, Level 4 offices could include:

Level 1-Department of Defense  
Level 2-Department of the Army  
Level 3-HQ TRADOC  
Level 4- Installation DOC/APC

**LEVELS 6 & 7**

This relationship between levels continues for the sixth and seventh reporting levels. The sixth and seventh reporting levels are undefined and can be